

Message Text

CONFIDENTIAL

PAGE 01 KATHMA 00072 050601Z

14

ACTION NEA-12

INFO OCT-01 EUR-25 EA-11 ISO-00 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03

SS-20 USIA-15 ACDA-19 OMB-01 EB-11 AID-20 COME-00

TRSE-00 DRC-01 /178 W

----- 024085

R 050500Z JAN 74

FM AMEMBASSY KATHMANDU

TO SECSTATE WASHDC 7213

INFO AMEMBASSY COLOMBO

AMEMBASSY DACCA

AMEMBASSY ISLAMABAD

AMEMBASSY KABUL

AMEMBASSY LONDON

AMEMBASSY MOSCOW

AMEMBASSY NEW DELHI

AMEMBASSY RANGOON

AMCONSUL CALCUTTA

AMCONSUL BOMBAY

AMCONSUL HONG KONG

AMCONSUL MADRAS

USLO PEKING

CINCPAC CAMP HM SMITH HI

C O N F I D E N T I A L KATHMANDU 0072

E.O. 11652: GDS

TAGS: PFOR, IN, NP

SUBJECT: INDIA/NEPAL: GOOD NEIGHBORLINESS ON TRIAL

REF: A. NEW DELHI 9953

B. KATHMANDU 4496

1. SUMMARY: LOOKED AT FROM KATHMANDU, FRICTIONS BETWEEN INDIA

AND NEPAL SEEM TO BE ON THE INCREASE AND MAY WELL FURTHER

INTENSIFY IN 1974. MINOR BORDER RAIDS FROM INDIA BY NEPALI

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KATHMA 00072 050601Z

CONGRESS DISSIDENTS AND IMPACT OF SHORTAGES IN INDIA ON NEPALESE

ECONOMY ARE PRINCIPAL SOURCES OF FRICTION. USG WILL WANT TO AVOID INVOLVEMENT IN THESE DISPUTES AS LONG AS REGIONAL STABILITY NOT THREATENED AND TO MAINTAIN EXISTING POLICIES BASED ON OUR BILATERAL INTERESTS IN EACH COUNTRY. END SUMMARY.

2. IN RECENT WEEKS THERE HAVE BEEN INCREASING STORM SIGNALS IN INDO/NEPALESE RELATIONS. AT VARIOUS PLACES ALONG INDO/NEPALESE BORDER, MINOR BUT VIOLENT INCIDENTS HAVE OCCURRED IN WHICH SO-CALLED "ANTISOCIAL" ELEMENTS HAVE BEEN ATTACKING POLICE POSTS, LOOTING GRAIN STOCKS AND, IN MOST SERIOUS INCIDENT, ATTEMPTING BOMB PRINCIPAL BANK AT BIRATNAGAR. IT IS WIDELY ACCEPTED BY NEPALESE THAT "ANTISOCIAL" ELEMENTS ARE IN FACT NEPALI CONGRESS DISSIDENTS OPERATING FROM INDIAN SANCTUARIES WITH AIM OF UNDERMINING REGIME OF KING BIRENDRA. GIVEN UNDERSTANDING WHICH GON RECEIVED FROM GOI DURING KING'S STATE VISIT TO DELHI THAT NCP DISSIDENTS WOULD BE KEPT AT LEAST FIFTY MILES FROM BORDER, NEPALESE ARE CONCERNED ABOUT INDIAN INTENTIONS. THIS CONCERN IS INTENSIFIED BY BELIEF THAT NEPAL HAS NOT RECEIVED WHAT IT CONSIDERS TO BE ADEQUATE SATISFACTION FROM GOI AUTHORITIES ON 1972 HARIPUR INCIDENT AND SUBSEQUENT RNAC SKYJACKING.

3. AS EMBASSY DELHI RIGHTLY OBSERVES, GOI IS SYMPATHETIC TO "DEMOCRATIC FORCES" IN NEPAL. IT PROBABLY CANNOT CONTROL ALL CROSS-BORDER ACTIVITIES OF NCP ADHERENTS, THOUGH GON UNDOUBTEDLY EXPECTS IT TO DO SO AND INTERPRETS FAILURE IN THIS REGARD AS EVIDENCE OF INDIAN PRESSURE FOR POLITICAL CHANGE. AS WE INDICATED REFTEL B, WE ANTICIPATE SOME INCREASE IN LEVEL OF UNREST IN NEPAL UNLESS ECONOMIC SITUATION TAKES UNEXPECTED TURN FOR BETTER. IN THIS SITUATION VIOLENT INCIDENTS MAY INCREASE, AND INDIA IS LIKELY TO GET THE BLAME. THE MORE THAT INDIAN POLITICIANS (AND DIPLOMATS) TALK ABOUT INDIAN AFFINITY FOR DEMOCRATIC SYSTEMS, THE MORE THIS IS READ IN KATHMANDU AS INTENT TO SUPPORT SUBVERSION FROM WITHOUT. WE DO NOT ANTICIPATE THAT RISING VIOLENCE WILL HAVE EFFECT OF PERSUADING KING TO LIBERALIZE HIS REGIME AS INDIANS MIGHT LIKE, AND REPRESSION

SEEMS MORE LIKELY THAN COMPROMISE.

4. IF, IN THESE CIRCUMSTANCES, GOI MAY BE TEMPTED TO "UNLEASH" NCP, EFFECTS ON STABILITY IN NEPAL COULD BE SERIOUS. IT IS, OF COURSE, NOT IN OUR INTEREST THAT INDIA MEDDLE IN NEPAL'S INTERNAL

CONFIDENTIAL

PAGE 03 KATHMA 00072 050601Z

AFFAIRS, NOT ONLY BECAUSE OF ADVERSE IMPACT ON DEVELOPMENT PROSPECTS BUT ALSO BECAUSE OF ENHANCED DANGER OF SINO-INDIAN CONFRONTATION IN AND OVER NEPAL.

5. ON ECONOMIC FRONT NEPALESE ARE CHAFFING UNDER TERMS OF TRADE AND TRANSIT AGREEMENT. THEY BELIEVE INDIA IS ABLE TO MEET NEPALESE ECONOMIC DEMANDS WHICH THEY PERCEIVE TO BE LIMITED IN SCOPE. NEPALESE DO NOT UNDERSTAND THAT INDIAN CANNOT ALWAYS MEET

REQUIREMENTS OF EXTREMELY BACKWARD COUNTRY OF 12 MILLION PEOPLE. PETROLEUM AND OTHER SHORTAGES, WHICH HAVE ALREADY DEVELOPED HERE OR WHICH ARE LIKELY TO DEVELOP, MAY WELL BE SEEN BY NEPALESE AS EVIDENCE OF DELIBERATE INDIAN POLICY RATHER THAN AS INEVITABLE RESULT OF WORLDWIDE SITUATION.

6. UNFORTUNATELY, INDIAN AID, WHILE GENEROUS IN GLOBAL TERMS, HAS NOT DONE MUCH TO INCREASE LONG-RUN SELF-RELIANCE OF NEPAL, WHICH MAY, IN FACT, BE ECONOMIC CHIMAERA. INFRASTRUCTURE PROJECTS SUCH AS EAST-WEST HIGHWAY OR KOSI BARRAGE ARE FELT BY NEPALESE TO BE AS MUCH IN INDIA'S STRATEGIC AND ECONOMIC INTEREST AS IN NEPAL'S. GON'S SKITTISHNESS ABOUT KARNALI IS IN PART REFLECTION OF NEPAL'S PREOCCUPATION THAT IT NOT BE TAKEN FOR ECONOMIC RIDE IN ANY FUTURE AGREEMENTS WITH INDIA. GIVEN VIRTUAL TOTAL DEPENDENCE OF NEPALESE ECONOMY ON INDIA, GON FEARS BEING DRAGGED DOWN BY INDIAN ECONOMIC FAILURE, BUT IS NOT YET MATURE ENOUGH TO RECOGNIZE IT COULD BE BUOYED UP BY INDIAN SUCCESS.

7. QUESTION OF ECONOMIC RELATIONSHIP BETWEEN INDIA AND NEPAL IS ONE WHICH HAS DIMENSION FOR US POLICY. DURING 1960'S WE ENDEAVORED TO ENCOURAGE ECONOMIC AND STRATEGIC COMPLEMENTARITY BETWEEN NEPAL AND INDIA. IN RECENT YEARS, AND PARTICULARLY SINCE 1971, WE HAVE TRIED TO LOOK AT NEPAL AS ENTITY WORTHY OF ATTENTION IN ITS OWN RIGHT. THIS DOES NOT MEAN, HOWEVER, THAT THE IMPERATIVES OF ECONOMIC INTERDEPENDENCE BETWEEN NEPAL AND INDIA CAN OR SHOULD BE DEPRECIATED. ON CONTRARY, A CONSTRUCTIVE, AMICABLE AND MUTUALLY SUPPORTIVE INTERDEPENDENCE BETWEEN THE TWO COUNTRIES SERVES OUR BASIC INTERESTS IN STABILITY AND ECONOMIC DEVELOPEMNT IN THE SUB-CONTINENT. WHILE RECOGNIZING THE BENEFITS OF SOME DIVERSIFICATION IN NEPALI TRADE, WE DO NOT BELIEVE IT WOULD BE EITHER POSSIBLE OR DESIRABLE TO EMBARK ON POLICIES DESIGNED TO ALTER SIGNIFICANTLY THE INTERDEPENDENCE BETWEEN NEPAL AND INDIA.

CONFIDENTIAL

CONFIDENTIAL

PAGE 04 KATHMA 00072 050601Z

8. AS AND IF TENSIONS RISE IN NEPAL AND ECONOMIC AND POLITICAL FRICTIONS BETWEEN NEPAL AND INDIA INCREASE, WE WILL WANT IN NEPAL TO MAINTAIN OUR CURRENT POSTURE OF STEADY AND SYMPATHETIC SUPPORT FOR NEPAL'S DEVELOPMENT OBJECTIVES AND POLITICAL INTEGRITY. AS LONG AS REGIONAL STABILITY NOT THREATENED, WE WOULD NOT PROPOSE TO OFFER NEPAL ADVICE ABOUT ITS RELATIONS WITH INDIA ANY MORE THAN WE SHOULD OFFER INDIA ADVICE ABOUT ITS RELATIONS WITH NEPAL. NO DOUBT BOTH SIDES WILL BE FREE IN THEIR ADVICE TO US ON HOW TO HANDLE OUR RELATIONS WITH THEOTHER, BUT THIS WE CAN STAND.
CARGO

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN RELATIONS, ECONOMIC DEVELOPMENT, ECONOMIC ASSISTANCE, FOREIGN POLICY POSITION, RECOGNIZED BOUNDARIES
Control Number: n/a
Copy: SINGLE
Draft Date: 05 JAN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: cunninfx
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974KATHMA00072
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: KATHMANDU
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740160/aaaaceyx.tel
Line Count: 165
Locator: TEXT ON-LINE
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: A. NEW DELHI 9953
Review Action: RELEASED, APPROVED
Review Authority: cunninfx
Review Comment: n/a
Review Content Flags:
Review Date: 03 JUN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 JUN 2002 by boyleja>; APPROVED <15-Nov-2002 by cunninfx>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: INDIA/NEPAL: GOOD NEIGHBORLINESS ON TRIAL
TAGS: PFOR, IN, NP
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005